

**UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEW JERSEY**  
**CIVIL ACTION NO. 06-01051 (KSH/CW)**

NXIVM CORPORATION, (formerly known as  
EXECUTIVE SUCCESS PROGRAMS, INC.) and  
FIRST PRINCIPLES, INC.,

Plaintiffs,

v.

MORRIS SUTTON, ROCHELLE SUTTON, THE  
ROSS INSTITUTE, RICK ROSS (a/k/a "RICKY"  
ROSS), STEPHANIE FRANCO, PAUL MARTIN,  
Ph.D., and WELLSPRING RETREAT, INC.,

Defendants.

RICK ROSS,

Counterclaim-Plaintiff,

-against-

KEITH RANIERE, NANCY SALZMAN, KRISTIN  
KEEFFE, INTERFOR, INC., JUVAL AVIV, JANE  
DOE, AND JOHN DOES 1-10,

Counterclaim-Defendants.

INTERFOR, INC. and JUVAL AVIV,

Crossclaimants,

v.

NXIVM CORPORATION, KEITH RANIERE,  
NANCY SALZMAN and KRISTIN KEEFFE,

Crossclaim Defendants.

**AFFIDAVIT OF NANCY SALZMAN**

STATE OF NEW YORK :  
 : ss  
COUNTY OF ALBANY :

NANCY SALZMAN, of full age, being duly sworn according to law, deposes on her oath and says:

1. I hold the position of President with NXIVM Corporation (hereafter, "NXIVM").  
2. I have continually held the position of President with NXIVM since its founding.  
3. As part of my responsibilities with NXIVM I have become familiar with the matter of NXIVM v. Rick Ross, et als., which matter is listed above. I am also familiar with that aspect of a cross-claim/third-party complaint which names me personally.

4. As part of my responsibilities with NXIVM I am aware that there is a trial scheduled to commence before this Court on January 17, 2018 with regard to NXIVM's complaint against Stephanie Franco.

5. I am aware that Ms. Franco has a cross-claim/third-party complaint against NXIVM, and this author personally, which is also scheduled to commence trial before this Court on January 17, 2018.

6. NXIVM and this affiant are represented by Robert D. Crockett, Esq., of Crockett and Associates, LLP, as primary counsel with respect to the above-referenced matter.

7. NXIVM and this affiant are also represented by Grant W. McGuire, Esq., of Tompkins, McGuire, Wachenfeld & Barry, LLP, as local counsel.

8. I have been apprised by counsel of all developments (substantive and procedural) with respect to the above-referenced matter, by counsel, including, but not limited to:

- The January 17, 2018, trial date of the NXIVM v. Franco matter;
- The January 17, 2018, trial date of the Franco v. NXIVM cross-claim/third-party complaint;
- This Court's January 11, 2018 ruling precluding NXIVM's reliance on the report of Don Smith, NXIVM's proffered expert with respect to damages on its complaint against Franco;
- This Court's January 10, 2018 rulings with respect to pre-trial motions;

- NXIVM's applications for the adjournment of the trial of NXIVM's complaint against Franco and the trial of Franco's cross-claim/third-party complaint against NXIVM and this affiant, [Docket Entries 784 and 790], as well as the bases for said applications; and
- This Court's denial of the above-referenced adjournment applications [Docket Entries 788 and 792].

9. This affiant has been advised by counsel of NXIVM's rights and/or my personal rights to appear before this Court on January 17, 2018, to represent NXIVM and myself personally, with respect to NXIVM's complaint against Franco as well as Franco's cross-claim/third-party complaint against NXIVM and this affiant personally.

10. This affiant has been advised by counsel of NXIVM's rights and/or my personal rights to provide testimony before this Court on January 17, 2018, on behalf of NXIVM and myself personally, with respect to NXIVM's complaint against Franco as well as Franco's cross-claim/third-party complaint against NXIVM and this affiant personally.

11. This affiant has been advised by counsel that should this affiant nor any other representative, officer or designee from NXIVM appear for the trial regarding NXIVM's complaint against Franco, NXIVM's complaint against Franco will be dismissed by this Court with prejudice.

12. This affiant will not be appearing or testifying before this Court on January 17, 2018 on behalf of NXIVM or this affiant personally. Said representation speaks to both NXIVM's complaint against Franco and Franco's cross-claim/third-party complaint against NXIVM and this affiant personally.

13. There will be no other representative, officer or other designee appearing or testifying before this Court on January 17, 2018 on behalf of NXIVM or this affiant personally. Said representation speaks to both NXIVM's complaint against Franco and Franco's cross-claim/third-party complaint against NXIVM and this affiant personally.

14. It is this affiant's understanding, upon the advice of counsel, that by submitting this affidavit, NXIVM's claims against Franco will be dismissed with prejudice.

15. It is this affiant's understanding, upon the advice of counsel, that should NXIVM's complaint against Franco be dismissed, short of the matter being called for trial, Franco will voluntarily dismiss the remaining cross-claim/third-party complaint against NXIVM and this affiant personally.

16. With an understanding of the status of this matter, including, but not limited to, the January 17, 2018 trial date, Mr. Crockett's inability to try the case until early February 2016, as well as this Court's rulings as to NXIVM's applications for an adjournment, this affidavit is being submitted in an effort to avoid wasting the time of the Court, the time of potential jurors, as well as the time of adversary counsel.

17. Having had appropriate time to consider NXIVM's options, the opportunity to consult with counsel and being satisfied with the assistance of same, this affiant, as President of NXIVM Corporation knowingly and willingly submits this affidavit to be filed with the Court, understanding that by doing so NXIVM's complaint against Franco will be dismissed with prejudice.

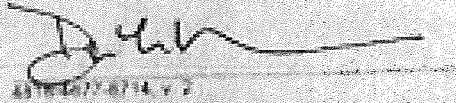
18. Having had appropriate time to consider both NXIVM's and this affiant's personal options, the opportunity to consult with counsel and being satisfied with the assistance of counsel, this affiant, on behalf of NXIVM and in my personal capacity, knowingly and willingly submits this affidavit to be filed with the Court, with the understanding that should NXIVM's complaint against Franco is dismissed prior to the trial of same commencing, Franco's cross-claim/third-party complaint against NXIVM will be dismissed voluntarily.

I aver that the foregoing statements made by me are true. If any of the foregoing statements made by me are willfully false, I am subject to punishment.



  
Nancy Sullivan

Sworn to and subscribed before me this  
15<sup>th</sup> day of January, 2018

  
4378-677-6714, v. 2

DAVID L. MORRISON  
Notary Public, State of New York  
Qualified in Saratoga County  
No. 0100664618  
My Commission Expires Dec. 10, 20 18